
Minutes

Board of Natural Resources

November 10, 2003
Natural Resources Building, Olympia, Washington

BOARD MEMBERS PRESENT

Doug Sutherland, Commissioner of Public Lands

Terry Bergeson, Superintendent of Public Instruction

Glen Huntingford, Commissioner, Jefferson County

Bruce Bare, Dean, University of Washington, College of Forest Resources

R. James Cook, Interim Dean, Washington State University, College of Agriculture and Home Economics

BOARD MEMBERS ABSENT

Bob Nichols for Governor Gary Locke

CALL TO ORDER

Chair Sutherland called the meeting to order at 9:05 a.m. on Monday November 10, 2003 in Room 172 of the Natural Resources Building.

APPROVAL OF MINUTES

MOTION: Glenn moved to approve the October 7, 2003, Board of Natural Resources Minutes.

SECOND: Bruce seconded.

ACTION: Motion passed unanimously.

PUBLIC COMMENTS FOR AGENDA ACTION ITEMS

There were no public comments on agenda action items.

TIMBER SALES

Marketing Update & Proposed Timber Sales for December 2003 (Handout 1)

Jon Tweedale - Product Sales Manager, began with the market update stating that mill orders continue to shorten and prices remain flat. Log traders still expecting a late year rebound. May see strength in stumpage prices late in the year to balance supply and demand. Housing starts still strong overall. California housing rebuild due to fires remains a question on lumber markets.

Terry Bergeson asked Mr. Tweedale if there would be a change in building materials used in California due to the disastrous nature of the fire?

Mr. Tweedale said there has been discussion about changes in insurance regulations and how companies would carry homes with cedar shake roofs vs. ceramic roofs so there will probably be an increase in payment structures and coverage. He did not think there would be big change in material use but he does expect insurance premiums to be affected.

Chair Sutherland brought up a California housing development that had been spared by the fire due to a significant green space that surrounded the development. He added that this should generate some serious discussion about creating green spaces around housing developments that are subject to ongoing threat of fire. He indicated that those discussions have been taking place in Washington for some time and this instance should bring a heightened awareness.

October 2003 timber sales results: 10 sales offered & 10 sold; 37.2 mmbf offered & 37.2 mmbf sold; \$7.2 million minimum bid offered & \$9.9 million sold; \$192/mbf offered & \$267/mbf sold; average number of bidders was 5; 39% above minimum bid. Mr. Tweedale noted that bidder strength has come back and the up-bid ratio is much higher, indicating that the market is coming back.

Proposed December 2003 timber sales: 19 sales at 61 mmbf; \$14.1 million minimum bid; average \$229/mbf. Department recommends all 19 sales at 61,373 mbf with a minimum bid of \$14,068,000 be approved for auction for the month of December 2003. Mr. Tweedale noted that the original packet had a total of 20 sales but the Cougar Mountain Sale, within the Loomis Forest, had been eliminated because it's an ideal opportunity to move forward with contract harvesting for Northeast Region. It is being rescheduled for spring and summer of 2004 as a contract harvest. This will be an opportunity to employ our new contract harvesting legislation and to do some customer marketing for the quality timber.

Glen Huntingford brought up the Big Mack sale pointing out the large setbacks, pointing out the 175' setback on a Type 3 stream. He said it appeared that a lot of setback was due to conditions around the stream and he asked what those were?

Mr. Tweedale said it was due to site potential indicating it probably has a very high site ground or perhaps there are some unstable slopes. He said that the quality of the ground dictates how high trees will grow.

Glen Huntingford then thanked the department staff for their work on the West Jacob Miller sale. He recognized Mike Cronin for his hard work and communication efforts with the neighbors. Mr. Cronin provided an excellent presentation on the sale with aerial photos of the site, next showing computer images of the neighboring properties of what the site would look like after the harvest. He thought the tool was invaluable and he noted a letter from a local resident (David Schroeder) indicating his appreciation to the department for this process.

MOTION: Glen Huntingford moved to approve the December 2003 Timber Sales excluding the Cougar Mountain sale.

SECOND: Terry Bergeson seconded.

ACTION: Motion passed unanimously.

The meeting was ahead of schedule so while the members awaited the arrival of Mr. Brodie they discussed a letter that had been included in their packet.

Terry Bergeson brought up the letter from June Wristen-Mooney of the Evaline Community Association. Terry asked for some specifics on the situation of the gravel pit?

Chair Sutherland indicated that he has Pat McElroy - Executive Director, and his staff working on the issue and they are developing a response that will provide clarification on the circumstances. He said he would provide the response to the Board members within the next 7 to 10 days. He noted that most of the issue is at a county level, but the reclamation is the department's responsibility.

CHAIR REPORTS

Sustainable Harvest Calculation (Handout 2)

Bruce Mackey - Land Steward, and Angus Brodie - Assistant Division Manager of Land Management Division, provided the SHC presentation. Mr. Mackey began with an overview of what they would be presenting: presentation of the DEIS; presentation of the financial analysis for the six alternatives; presentation of the proposed decision-making process for selecting the preferred alternative.

Mr. Brodie first recognized the many people that have provided input and expertise on the project beginning with Andrew Hayes - EIS coordinator; Tetra Tech FW, Inc., - contractors that provided the analysis and a large portion of the writing; SEPA Center - created the website and provided distribution services; and lastly, the reviewers and scientists who have spent so much time reviewing the document.

He then began the presentation:

Need: The proposal is to evaluate options for long-term sustainable forest management and to recalculate a sustainable harvest level. State law requires DNR to periodically adjust the acreages designated for inclusion in the sustained yield management program and calculate a sustainable harvest level.

Purpose: 1) to incorporate new information into a new model to recalculate the decadal sustainable timber harvest level (for western Washington) under current DNR policy and federal and state laws and to update the 1996 calculation, and 2) to permit the Board of Natural Resources to evaluate any policy changes after a number of policy alternatives have been modeled and analyzed through an Environmental Impact Statement (EIS).

Purpose/Role of an Environmental Impact Statement: The primary purpose of an EIS is to provide an impartial discussion of significant environmental impacts and reasonable alternatives and mitigation measures that avoid or minimize adverse environmental impacts; the analysis is based on reasonably available information; the EIS information is used by agency officials (in this case the Board of Natural Resources) in conjunction with applicable regulations and other relevant information, to make decisions. The decision before the Board is to set the policies that define the sustainable forest management levels for western Washington.

Mr. Brodie then provided the context of the DEIS noting that the department manages within federal and state statutes and laws such as Forest Practices, and federal laws such as the Endangered Species Act, Clean Water Act, etc. Primary policy direction is based on the Forest Resource Plan, the Habitat Conservation Plan, and the Asset Stewardship Plan. The department also has a set of policies, procedures, and tasks that guide project activities such as timber sales and silviculture activities. There are 49 department procedures, 19 guidelines, and 5 tasks related to forest management. The Draft EIS identifies 6 alternatives that propose changes to these policies, procedures, and to 7 Forest Plan policies (4, 5, 6, 11, 14, 30, and 31), 5 procedures, and 2 tasks. The EIS is built around a context of the entire policy setting. It builds upon previous environmental analyses, such as those done for the HCP and the Forest and Fish EIS. All six alternatives fit within the current HCP and all applicable state and federal laws.

Mr. Brodie then provided the content of the DEIS: Chapter 2 describes the proposals and alternatives (in our case we have proposed changes in policy and procedure with no preferred alternative) and summarizes the environmental consequences (Mr. Brodie stressed Chapter 2 as the most important chapter to read); Chapter 3 describes current conditions; Chapter 4 identifies the important resource areas of the environment (affected environment, significant impacts, and mitigation measures).

Terry Bergeson asked Mr. Brodie to tie 2 & 4 together for her?

Mr. Brodie gave an example - Chapter 2 will describe a proposed change in maturity criteria, which would change the age in which stands would be eligible for regeneration harvests; Chapter 4 would then describe the impact of that type of change on the different environmental resources.

He then noted that there is a large amount of information included in the appendix; this background information addresses the policy-setting environment to aid people that may or may not be familiar with the department's legal and policy environment.

Mr. Brodie then presented a table (Slide 10) describing a summary of policy, procedures, and task changes.

Bruce Bare pointed out that Alternatives 2 & 3 appear identical other than the ownership group and asked how one would find the detailed information?

Mr. Brodie said Chapter 2 describes each management issue.

Terry Bergeson requested an example of a policy with a critical procedure that would be followed with a task?

Mr. Brodie provided the example of even-flow - a key mechanism in which decadal levels of harvests are set, and from that there would be one procedure and one task, which are the planning mechanisms by which they then plan a shorter-term time frame in how to achieve the harvest. That would be a procedure followed by a task related to the procedure. He noted that a task is simply a guideline for region personnel to follow.

He then summarized the environmental consequences. A major finding is that none of the alternatives would result in any probable significant adverse impacts to any of the resource areas, relative to current conditions, beyond those anticipated in the HCP. The variability and the potential relative risks are identified and discussed for the resource areas and are used to rank the alternatives by the 18 factors identified on Table ES-2 on Page ES-19. The potential relative risks and rankings express the relative potential for a negative environmental impact to occur and/or indicate if an alternative may fail to meet all of its projected outcomes; a relatively high risk does not necessarily equate to a probable significant adverse impact when compared to another alternative or to existing conditions. The rankings are also based simply on their variability across the horizontal lines but not the vertical.

Glen Huntingford asked if there were any legal challenges of the EIS when the HCP was adopted, and if so, were they all addressed or are there issues that could resurface?

Chair Sutherland said there was litigation by the City of Forks and asked Phil Ferrester (DNR attorney) to come forward to answer the question.

Phil Ferrester - Office of the Attorney General, stated that the litigation was brought forward by a series of trust beneficiaries that challenged the adoption of the HCP but did not concern the adequacy of the environmental impact statement.

Mr. Brodie then presented a table (Slide 12) summarizing the alternatives. The table ranked the alternatives in three groups (lower, intermediate, and higher). The rankings show the relative rankings for a particular factor. Because the rankings are relative to each other, they are qualitative, not quantitative. The ranking is based on the relative ranking across each of the 18 factors. In context of the previous statements, the relative rankings relate to two things:

1) A relative risk to the environment, and 2) reaching the projected outcomes. What the table does not demonstrate is the variability that may exist between the 18 factors. For example riparian resources or trust revenues. Air quality is another example i.e., there is not a lot of variation across the alternatives in terms of their impact on air quality, unlike trust revenues where there is substantial differences that range from \$94 million to \$185 million dollars of average net revenue during the first decade (Slide 16).

Bruce Bare said the table is difficult to translate. He then asked what it means to look at trust revenues in the first decade within Alternative 1 and why was it in the “higher” risk group?

Mr. Brodie said when looking at trust revenues they look at public utilities and ask what the influences of trust revenues and county revenues are and how the different alternatives provide appropriate funding to carry out their mandates. Therefore, lower levels of revenue generates a higher level of risk that services will not be fulfilled hence “higher group”.

Mr. Mackey added that there are two categories of “risk” indicating one risk may be an environmental impact on the ground and the other is whether the desired result is met.

Jim Cook pointed out that the “low” “medium” “high” categories lacked clarity in whether they were positive or negative and noted that they appear to represent risk.

Mr. Brodie said that is correct and the risks are relative to the 18 factors described in the table (Slide 12). Variability information can be found within the summaries of Chapter 2 and in the analysis of Chapter 4. He reiterated that information in these chapters will be the most useful for the decision-making process.

Mr. Brodie discussed upcoming public hearings taking place around the state:

December 2	Lacey
December 3	Port Angeles
December 4	Mount Vernon
December 9	Vancouver
December 10	Aberdeen
December 11	Des Moines

Mr. Brodie said the comment period would be 40 days (November 10 - December 19).

Terry Bergeson asked if the alternatives fit within the scope of the HCP?

Mr. Brodie said yes.

Chair Sutherland added that there have been many discussions with federal and other state agencies that are interested in the SHC process and there has been considerable feedback received.

Terry Bergeson said that despite the low turnout at previous eastside hearings, she believes a public hearing in the Spokane area would be valuable.

Chair Sutherland said if there is an interest they will attempt to accommodate it. He also encouraged written communication.

Terry Bergeson suggested building in a presentation to show at the School Director's Conference due to the high attendance at that event from the entire state.

Chair Sutherland encouraged the Board to attend as many public hearings as their schedules permit.

Break 10:15

Reconvened 10:30

CHAIR REPORTS CONTINUED

Sustainable Harvest Calculation Continued (Handout 2)

Bruce Mackey - Lands Steward, began with the financial analysis noting the three primary questions:

- 1) What is the net revenue to the trusts?
- 2) How much do the alternatives cost to implement?
- 3) How does the department propose to implement any of the alternatives?

Mr. Mackey then presented a financial analysis summary table (Slide 16) that indicates how each alternative shows the various sources of western Washington forest revenue by harvest type (regeneration; thinning; partial cut; and riparian treatments). The percentages are averages only. The costs include not only direct silvicultural but also other system costs such as computer, information technology, finance, human resources, etc. The costs are the projected first decade average annual costs that are incurred by the Forest Development Account and the Resource Management Cost Account.

Mr. Mackey recapped the six alternatives:

- Alternative 1 using current procedures
- Alternative 2 reflects HCP
- Alternative 3 increase flow and variability between even flow
- Alternative 4 more passive approach with longer rotation ages
- Alternative 5 more silviculture investments with shorter rotations
- Alternative 6 innovative forestry approaches that incorporates bio-diversity pathways

He noted that Alternatives 5 & 6 used value as a key modeling criteria, not timber volume used in the remaining alternatives.

Mr. Mackey continued with another graph (Slide 17) indicating the net revenues and volume by alternative for decade 1 (2004-2013). Both operating costs and capital costs are included. Total upland revenue includes both eastern and western Washington plus non-timber revenue. Total upland revenue is reduced by total RMCA and FDA costs within the entire DNR to produce the anticipated net revenue to the beneficiaries.

Chair Sutherland asked if decadal cost and revenues were run beyond the first decade?

Mr. Brodie said yes, although they are not being presented today. He added that there has not been a net present value yet, but it is anticipated.

Terry Bergeson brought up fiduciary responsibility regarding sustained forestry over multiple decades, stressing that all revenue sources must be looked at, including the constraints on the ability to secure the sources. If heavier silviculture management was needed to get a longer-term result but would cost more in the short run, then short-term interests must not drive the ultimate decision. She would like to look at the constraints over the next few months. She would like to Board to be able to build a proposal that would help create a source of revenue that could be held constant for possible changes in the market and in management costs.

Glen Huntingford added that from a county perspective he has had discussions with the counties about the percentage of revenue back to the counties. During those discussions, it was indicated that they would be agreeable to pay more to see more active management take place with the understanding that new revenue was one important factor. He would like to see a fund that would balance out the highs and lows and provide an operational cushion.

Next Mr. Mackey showed net revenues for the trusts by trusts (Slide 18). He noted they are totals for all net revenues (all sources). Note: first decade only.

Mr. Mackey then recapped the key policy choices for the Board and the proposed decision process for selecting the preferred alternative, which incorporates past Board discussion; modeling and technical analysis; EIS results; and public comment. The direction needed from the Board on the proposed decision process is to Identify key outcomes; identify key policy issues; create a discussion matrix (outcomes and policy issues); and if useful, the Board to direct DNR to complete the discussion matrix. He then identified key outcomes: net income; variability of income; forest structure and older forest dependent species results; implementation considerations; and other. Key policy choices for the Board: active vs. passive; ownership groups; even flow approach; old growth; and volume vs. value regulation.

Mr. Mackey then showed a table of key policy choices for the BNR (Slide 23) with selected columns to be filled in by the Board (discussion matrix).

Chair Sutherland asked for a discussion on old growth, indicating that within the EIS, large trees are identified as 30" and larger and he wanted to know what the criteria is within the EIS vs. the term old growth?

Mr. Brodie said that rather than use the term old growth they use the term older forest and define it. There are two ways it is defined, 1) by age, or 2) by structure and the stand development classes; combinations of the two are in use. Both were looked at due to the environmental issues and concerns expressed by the public during the scoping process. He indicated that there is no defined definition of what older forest or old growth. Various definitions exist and are valid for particular purposes. The EIS uses various approaches to stand development and structure classifications, depending on the issues being analyzed. He noted that the Board could make policy choices regarding older forest/old growth. The alternatives look at the following:

1) Current policies, which includes the OESF and old growth research areas, 2) the HCP approaches, and 3) the HCP definition of old growth (that recognizes structure and age).

Chair Sutherland thought this would be a good discussion during the mixing and matching approach.

Bruce Bare said he would like to see two things added to the policy issues, 1) there is a big difference between some of the alternatives in terms of percent land off-base (up to 53% for Alternative 1 and 35% for Alternative 6) and he said that issue should be retained for the Board to look at, and 2) he wants to see gross revenues along with net revenues and their associated variabilities.

Terry Bergeson asked what would be included in the columns of the matrix if the Board were to fill them in (Slide 23)?

Mr. Brodie said a word, ratio, or a phrase would be provided but the idea is to have a discussion around each of the cells during the workshops. He gave an example for Qualitative Impact on Net Income (1st column) and said they would qualitatively describe what would be happening when implementing biodiversity pathways or innovative silviculture on net income (1st policy issue on matrix).

Bruce Bare pointed out that there has not been anything presented on the social impacts and asked if that would be reflected in the matrix?

Mr. Mackey said yes.

Chair Sutherland asked the Board if they would like to respond to Bruce Mackey's request for input at this time or would they rather wait for the work session?

Mr. Mackey said they would change the matrix to reflect today's discussion and have it prepared for the December workshop.

Bruce Bare expressed concern about condensing the 18 existing risk factors even further.

Mr. Brodie said those 18 factors will be discussed at the December workshop and reminded the Board that the table doesn't demonstrate the variability that exists among the alternatives and from that variability there may be other outcomes.

Terry Bergeson said she wants a stable net income, forest health, and reasonable impacts which include the social impacts. She would also like to see the net and gross together to determine what the actual cost would be.

Mr. Mackey added that in some of the 18 factors, there is not a lot of variability so they will be the same no matter which alternative is selected. The question - are there four or five that have significant variation across - and those are the ones to look at.

Jim Cook approves of the matrix but stated that it is only a guide to a discussion to arrive at a decision and he does not think it needs to be all-inclusive as long as there are major placeholders that significantly impact the outcomes at the policy level. He then suggested transparency as another outcome; once implemented, it needs to be understood by the public.

Mr. Mackey concluded with the major elements of the proposed decision process: identified key outcomes today; identified policy issues today; created discussion matrix; if useful, the Board will direct DNR to complete the discussion matrix today; review the completed discussion matrix at the December BNR workshop; BNR evaluation of discussion matrix at the February BNR workshop; develop the FEIS for the alternatives February - May (end of May release of FEIS); BNR review of FEIS in June; Board adoption of FEIS and Sustainable Forestry Level in June/July. Note: today's feedback will be implemented into the decision matrix.

Chair Sutherland said he wanted to be sure that as the issues are discussed, they are related to the major factors identified. He also clarified the workshops, 1) December 2, immediately following the regular Board meeting, and 2) February 3, immediately following the regular Board meeting. He also reminded the Board of the Special Board meeting February 17, to select the preferred alternative.

Bruce Bare asked what the format of the workshops will be and how long it would take the team to make runs if the Board requests additional runs from the mix and match?

Mr. Brodie said it depends on how complicated they are. He said that after the February 3, workshop they should have a clear picture of what a preferred alternative will look like from the Board and they would be able to model it.

Bruce Bare asked two questions, 1) what will the format of the workshop be, and 2) how long would it take Mr. Brodie and his team to make runs if the Board requests additional runs? Bruce indicated that the Board would most likely be requesting runs during the mix & match process.

Mr. Brodie said it depends on how complicated the runs are. He indicated that the expectation is that at the end of the February meeting they will have a fairly clear picture of what a preferred alternative looks like from the Board and be able to model it.

Bruce Bare asked how the Board should introduce those? As a Board member, he wanted to know if he can independently ask for a run for a new alternative or would there need to be a workshop and obtain Board consensus for such a run?

Mr. Brodie said they would use the model to support the Board's decision-making process; so the timeframe will depend upon the question, and the complexity. It doesn't take long to make runs now and to post process results and to get them into a publishable format.

Bruce Bare asked if they would be prepared to make runs before the December workshop?

Mr. Brodie said the reason the matrix is in its existing form is to try to articulate the desired outcomes. They will then be used to see what the implications of those outcomes are. This is a slightly different process so at the December workshop, the intent is to talk about those outcomes and what outcomes the Board is seeking. From that we will know a lot of information about what the interactions are between the different policy levers and their directions amongst themselves on the forest base, and we can actually test that into the model. Mr. Brodie indicated that a qualitative discussion should take place at the December Board meeting. The idea is to refine this and knowing the outcomes we are heading towards, how can we make those efficiencies, model them, and what are the implications when put into a model.

Chair Sutherland added that if it is necessary, they could add an additional workshop to the January 6, regular Board meeting. He then brought up a request of the Board to move the January meeting due to a conflict he had. The Board agreed to consider another date (to be determined).

Terry Bergeson said that a January workshop should be planned and if it becomes unnecessary, then it can be dropped. She also requested examples and teaching tools that would generate pictures in her head showing what things look like on the ground.

Bruce Bare brought up the slides showing 49 procedures, etc., and asked where they could be found?

Mr. Brodie said he would provide them. He also indicated that the DEIS is available on the DNR website and on disc.

Chair Sutherland concluded by stating the objective is to have the legal work and policy action completed by June or July. He also expressed his gratitude to the Sustainable Harvest Calculation Team recognizing their two years of hard work put into the project. The DEIS is a major accomplishment and he commended the staff for the exemplary work.

PUBLIC COMMENTS FOR GENERAL ITEMS OF INTEREST

Rod Fleck - Attorney for the City of Forks

Mr. Fleck expressed his appreciation for the information and materials regarding the OESF numbers by volume, by value, and by trust. Based on that information, he encouraged the Board to have each alternative laid out by each region by trust. Things may not be as clear if averaged across the state vs. averaging by region. He noted how financially dependent the rural areas are on natural resources. He said it would be good to see the cost allocations and how they are done and then have a discussion with both academic and private timber managers about those.

Mr. Fleck then brought up risk allocations, indicating that the term high risk usually means bad and he observed that to be the reaction from the Board. He suggested a new term might be better such as “high positive risk” or “high negative risk” or possibly using numbers. He thanked the government for their involvement on this issue and he complimented their hard work. He also commended Angus Brodie and others for their availability.

Marcy Golde - Board Member for Washington Environmental Council (WEC) (Handout 3)

Ms. Golde thanked the department staff for the information provided. She then provided a handout to the Board members that showed the history of prior calculated sustained yield levels from 1959 to 1996. She discussed the sustainable harvest targets in mmbf. She called their attention to 1997 on the chart indicating that is when the HCP went into affect and that was when the last calculation was made.

Alex Morgan - Seattle Audubon Society (Handout 4)

Mr. Morgan also thanked the Board and staff for all of their efforts on the DEIS. He then presented a report that the Seattle Audubon Society and the Washington Environmental Council released today - Full-Cost Accounting for Washington's State-Owned Forests: An Overview. He encouraged the Board to review it and use it as a tool to consider all of the implications and factors in the economic circle of the three-circle approach that DNR has adopted. The report identifies and analyzes the potential costs and benefits of the different forest management decisions and the hope is that the Board will incorporate some of the methods of the costs and benefits into their planning and decision making as they review the DEIS.

Mr. Morgan briefly mentioned some of the issues covered in the report including the growing value of non-timber resources and services derived from our forests; the potential costs of not certifying our state lands; long term costs of managing for wild life species that have become threatened or endangered; and the consequences associated with political opposition.

He also brought up some issues discussed in today's meeting including a request to have one of the SHC public hearings in Seattle; they stand by the issue of certification and are disheartened that the Board continues to keep it as a separate issue; he did not agree with the statement that there are no probable significant adverse impacts and it sends the wrong message to the public; he agreed with the statement about having a fund to act as a cushion for market fluctuations and he hopes those discussions continue

and offered assistance with that goal; and finally, the presentation only showed the present decade and stressed the importance of showing multiple decades.

Becky Kelley - WEC

Ms. Kelley noted what an important day it is. She appreciated the information and today's discussion and that the Board decided not to simply adopt the five key outcomes and policy questions and that they requested to know more about what information lies underneath them. She said it is important for the Board to flush out the "active" vs. "passive" category. There is a lot of difference in forestry contained within the words (potentially 400 mmbf per year). She stated that at this time it is listed as "active" "minimum" "intensive" or "biodiversity" and WEC will put forward a letter prior to the December Board meeting with suggestions of what WEC thinks belongs in the category of key outcomes and key policy choices.

She also asked that they eliminate using the term biodiversity pathways when describing Alternative 6. It applies biodiversity pathways on a very small portion of the landscape and increases harvest on the rest of the landscape, which increases environmental impacts, and she expressed her frustration over the misuse of the term.

Ms. Kelly then brought up the contemplation of change noting the "no action" alternative yet there are several areas where things will change. The changes may be appropriate and benefit the trust and the environment but it is important to know what those changes are. She then brought up the report that Mr. Morgan provided earlier stating the difficulty in determining the future and reminded the Board of their fiduciary responsibility to think about the changes coming in the future and how those changes will impact the ability to generate income. She gave examples of opportunities such as carbon sequestration; people paying for certain forms of recreation; etc. If the public is frustrated with the cut level being doubled, as proposed in Alternatives 5 & 6 as compared to today, there may be less support for forestry operations and that may have costs that come with it.

Eleanor McKeirman - Kelso Citizen

Ms. McKeirman showed the Board a picture of a Trust Land Transfer in Kelso Washington. She said if the land is logged it will probably flood the town due to a nearby dyke and the liability would probably wipe out any profit. She asked that Washington's old growth be saved for the generations to come.

Ms. McKeirman noted the slide areas near her home and the danger her home is in. She indicated that the buffers behind her home were logged as well as illegal landslide areas and nothing stopped anybody. She also stated that eight-feet-across 300' high old growth trees were logged by a company that went bankrupt with over 250 entities against them not including the 126 people that lost their homes or 300 more like her that lost the value in their homes. She said there is simply no enforcement.

Bonnie Phillips - Conservation Chair for Olympic Forest Coalition

Ms. Phillips expressed concern about the potential doubling of cut levels on state lands in the Olympic Forests. She was also dismayed at the short 40-day comment period and hopes there is ability to extend that. Calling something sustainable does not make it so nor does calling something a biodiversity pathway. She expressed concern about the Forest Stewardship Council certification being put on a different pathway creating potential of that pathway being cut off. She recommends that these be looked at together. Ms. Phillips also expressed concern about the potential for shorter rotations and what happens to watersheds and downstream when cuts are doubled and stressed the social aspect of these events. She did appreciate the good discussion the Board had today and she hopes to see a mix and match approach but also make sure it makes good economic and social sense. She concluded by stating this is a good opportunity for DNR to focus on landscape planning.

Chair Sutherland asked if there was anyone else present wishing to make comment before the Board?
Seeing none, hearing none.

Meeting adjourned at 12:30 p.m.

Approved this ____ day of _____, 2004

Doug Sutherland, Commissioner of Public Lands

Bob Nichols for Governor Gary Locke

Bruce Bare, Dean, University of Washington

R. James Cook, Dean, Washington State University (Interim)

Terry Bergeson, Superintendent of Public Instruction

Glen Huntingford, Commissioner, Jefferson County

Attest:

Maureen Malahovsky, Board Coordinator